

# Advisory spect's

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Advisory Aspects is a publication of the Assessment Services Branch of Alberta Municipal Affairs.

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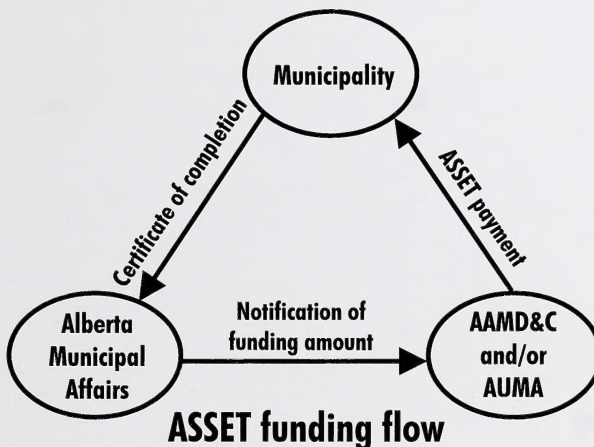
## ASSET funding dispersed

More than \$1.3 million in ASSET (Assessment Shared Services Environment) funding has been provided to 344 municipalities in Alberta.

The Alberta Association of Municipal Districts and Counties (AAMD&C) and the Alberta Urban Municipalities Association (AUMA) distributed the provincial government funding to municipalities that have met the ASSET funding criteria. The AAMD&C, AUMA and Municipal Affairs are partners in overseeing the ASSET initiative.

The department notified the municipal associations on May 12 and June 2 of the municipalities that qualify for the ASSET funding and the amount to be provided to each municipality.

Eligible municipalities were paid at a rate of \$1 per



parcel (based on 2002 parcel numbers) to a maximum of \$150,000 and a minimum of \$500.

The 344 qualifying municipalities represent 97 percent of all municipalities in Alberta and about 80 percent of all assessment parcels in Alberta (about 1.40 million of 1.76 million parcels).

"We appreciate the efforts of municipal administrators, assessors, tax clerks and system providers who have been playing a part in this implementation phase," says Steve White, executive director of the department's Assessment Services Branch.

"We believe stakeholders will be pleased with the new capabilities and sources of assessment-related information available through the ASSET system."

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**Alberta**  
MUNICIPAL AFFAIRS

# Linear property assessment appeals update

**TELUS** Concerning tax years 1998 and 1999, this appeal affects over 200 municipalities. An MGB hearing was held in the spring of 2000. The decision is pending.

**TELUS** Concerning tax years 2000 to 2003, an MGB hearing was held in November 2004. The decision is pending.

**GT Group Telecom Services Corp.** Concerning tax years 2001 and 2002, this appeal affects 34 municipalities. MGB decision #135/03, which was released on September 22, 2003, gave a four per cent reduction in assessment to the properties under appeal. On March 19, 2004, GT Group Telecom filed an application for judicial review with the Court of Queen's Bench. A scheduling hearing has been set for November 8 and 9, 2004.

**GT Group Telecom Services Corp.** Concerning tax year 2003, an MGB hearing was held on May 17 to 28, 2004, in Edmonton. The decision is pending.

## **GT Group Telecom**

**Services Corp.** Concerning tax year 2004, a preliminary MGB hearing is scheduled for September 2004.

## **Alliance Pipeline Ltd.**

Concerning tax year 2001, this appeal dealt with the assessability of the pipeline. It affects 16 municipalities. The MGB ruled that the pipeline was assessable in board order MGB106/02 in July 2002. Alliance Pipeline appealed to the Court of Queen's Bench, and the decision of this court supported the MGB's decision. On March 25, 2004, Alliance Pipeline Ltd. appealed the Court of Queen's Bench decision to the Alberta Court of Appeal. Scheduling dates have not been set as yet for this matter.

## **Corridor Pipeline Limited**

(now Terasen Pipeline Limited) Concerning tax year 2003, this appeal deals



with assessability of the pipeline. It affects eight municipalities. An MGB hearing was held on March 9 to 17, 2004, in Calgary. The decision is pending.

## **ATCO Pipelines Ltd.**

Concerning tax year 2003, this appeal affects 76 municipalities and dealt with whether changes requested by the company to the Alberta Energy and Utilities Board (AEUB), but not yet approved by the AEUB, should be reflected in the

linear assessment. A hearing before the MGB was held in December 2003.

The board ruled that, in instances where the company had made an application to the AEUB prior to October 31 for a change to its records, the linear assessor should reflect the changed characteristics and specifications in the prepared assessment.

**Continued on page 3**

## **ASSET funding**

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Municipal Affairs has been publishing ASSET News bulletins since January of this year to provide municipal administrators and assessors with up-to-date information on ASSET's implementation.

For example, the bulletins have contained checklists to help municipalities and assessors implement and submit assessment data into the ASSET system, a summary of some of the reports that the system can produce for ASSET users, and information on the annual assessment audit process.

"We plan to continue producing these news bulletins on topics related to the ASSET system," Steve says. "We welcome your comments and suggestions on things you would like us to cover in future issues."

## Assessment best practices

# Following the reinspection plan cycle

Municipal Affairs has received a great deal of positive feedback from municipalities in response to the detailed assessment audit process.

Many municipal administrators have commented on the significant value of these audits, and some have suggested that the department could help municipal administrators (CAOs) by sharing information on issues that are more commonly identified through the audit process.

In response, the department has agreed to include an article in each issue of *Advisory Aspects*, highlighting typical issues

identified during assessment audits, and offering possible best practices for addressing these matters.

This first article focuses on the reinspection plan cycle, and is taken from the *Municipal Affairs Detailed Assessment Audit Manual*.

This is one of the practices that assessment auditors review when they are conducting a detailed assessment audit within a municipality.

### **Standard**

The assessor must inspect a sufficient number of properties each year to ensure that the

reinspection plan cycle is being followed.

Under this best practice, all properties assessed using the market value approach should be reinspected on a five-year cycle.

Best practices on the reinspection plan cycle for other property types are found on page 20 of the *Detailed Assessment Audit Manual*.

### **Test**

Using the inspection dates submitted for the detailed audit, the number and percentage of properties inspected each year will be calculated and the results will be discussed with the assessor.

### **Example**

Number of properties in population: 300

Total number with inspection dates in past 3 years: 101

Number (%) with inspection dates in year 1: 34 (11%)

Number (%) with inspection dates in year 2: 33 (11%)

Number (%) with inspection dates in year 3: 34 (11%)

### **Conclusion:**

Based on this example for market value properties, at the current rate of inspection all the properties in the municipality will not be inspected within five years. The auditor will comment on whether the reinspection plan is being followed.

## **Linear assessment appeals update**

*...continued from page 2*

The board further ruled that, in instances where the company applied to the AEUB after October 31 for a change to its records, or where there was no evidence that the company had applied before October 31, the assessment should not reflect the requested changes to the characteristics or specifications of the linear property.

The MGB's decision reduced the pipeline's assessment by about \$1.2 million; the company had sought an assessment reduction of more than \$25 million. The decision will result in an estimated property tax loss of \$24,000, shared among several municipalities.

Appeals for the 2004 tax year will be heard by the MGB beginning in September 2004. Below is a summary of the 2004 linear property assessment appeals by category.

2004 linear property assessment appeals by category	
Ownership	384
Inventory	522
Substantive	2,022
Other	221
Total	3,149

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# Assessment guidelines and manual available online

The Alberta Assessment Quality Minister's Guidelines and the supplementary Recording and Reporting Information for Assessment Audit and Equalized Assessment Manual are now available on the Municipal Affairs' Web site.

Municipal Affairs Minister Guy Boutillier signed a Ministerial Order establishing the Alberta Assessment Quality Minister's Guidelines in March of this year. The guidelines prescribe the form and manner in which municipalities and assessors report information pursuant to the Municipal Government Act and the Matters Relating to Assessment and Taxation Regulation, as amended.

Alberta Regulation 330/2003 amended the Matters Relating to Assessment and Taxation Regulation to comply with the Municipal Government Amendment Act, 2002. The amendments addressed some of the recommendations of the Equalized Assessment Panel.

Assessors had an opportunity to review and provide feedback on the proposed Alberta

Assessment Quality Minister's Guidelines and the accompanying manual at the Senior Assessors Symposium held by the Alberta Assessors' Association in June 2003. The draft guidelines and manual were also circulated to participants in the workshops that were held throughout the province as part of the information sessions on the ASSET (Assessment Shared Services Environment) system.

The Alberta Assessment Quality Minister's Guidelines and the Recording and Reporting Information for Assessment Audit and Equalized Assessment Manual can be found on the Municipal Affairs' Web site, [www.municipalaffairs.gov.ab.ca/as/](http://www.municipalaffairs.gov.ab.ca/as/).

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## Legislative announcements

As part of Municipal Affairs' commitment to provide current information on legislative and regulatory matters affecting municipalities, the department wishes to advise of the following.

### **Local Government Statutes and Regulations binder update**

An update to the Local Government Statutes and Regulations binder was available from Queen's Printer starting the week of June 21, 2004.

The update includes amendments made to the Municipal Government Act in 2003, an updated index to the act, copies of new and amended regulations made under the Municipal Government Act and the Local Authorities Election Act since July 2003, and a

copy of the land use policies.

For copies of the update, please contact Queen's Printer by phone at (780) 427-4952, by fax at (780) 452-0668, by email at [qp@gov.ab.ca](mailto:qp@gov.ab.ca) or through the Web site at [www.qp.gov.ab.ca](http://www.qp.gov.ab.ca). The update will cost \$22.95.

### **Regulatory reviews**

The following three regulations made under section 603 of the Municipal Government Act will expire this year:

- Electric Energy Generation Exemption (AR 232/2002)
- Extension of Linear Property (AR 233/2002)
- Regional Shopping Centre Allocation of Assessment (AR 249/2002).

The department is planning to re-enact all three regulations with no changes in their content, other than providing for a new effective date.

As well, the Matters Relating to Assessment and Taxation Regulation (AR 289/1999) will expire on November 30, 2004, unless amended.

The department is planning to amend the expiry date to November 30, 2009, with no other changes contemplated.

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# Detailed Assessment Audit Schedule 2004/2005

Seventy-eight municipalities have been scheduled for detailed assessment audits for this year.

These audits will be completed before March 31, 2005.

The department has sent letters to affected municipal administrators advising them

that a detailed audit for their municipality will take place.

Questions regarding the detailed audit process can be directed to your regional assessment auditor (see the assessment auditors contact list at the end of this article).

Assessment auditors will also be following up on audits conducted last year.

"Assessors and municipal officials continue to provide a high level of cooperation and support during the detailed audit process," says director of the Assessment Audit Unit Jerry Husar.

## Towns

- Bashaw Town
- Beaverlodge Town
- Bon Accord Town
- Calmar Town
- Claresholm Town
- Daysland Town
- Drumheller Town
- Edson Town
- Gibbons Town
- Hanna Town
- Lacombe Town
- Lamont Town
- Legal Town
- Morinville Town
- Pincher Creek Town
- Ponoka Town
- Provost Town
- Redcliff Town
- Slave Lake Town
- Strathmore Town
- Sundre Town
- Three Hills Town
- Two Hills Town
- Wainwright Town
- Whitecourt Town

## Municipal Districts

- Acadia M.D.
- Big Lakes No. 125 M.D.
- Bighorn No. 8 M.D.
- Clear Hills No. 21 M.D.
- Fairview No. 136 M.D.
- Lesser Slave Lake River No. 124 M.D.
- Peace No. 135 M.D.
- Pincher Creek No. 9 M.D.
- Provost No. 52 M.D.
- Ranchland No. 66 M.D.
- Spirit River No. 133 M.D.
- Wainwright No. 61 M.D.
- Willow Creek No. 26 M.D.

## Villages

- Alliance Village
- Amisk Village
- Andrew Village
- Berwyn Village
- Big Valley Village
- Botha Village
- Caroline Village
- Chauvin Village
- Chipman Village
- Clyde Village
- Cowley Village
- Czar Village
- Delburne Village
- Delia Village
- Donalda Village

- Edgerton Village
- Hines Creek Village
- Hughenden Village
- Hussar Village
- Hythe Village
- Innisfree Village
- Kitscoty Village
- Munson Village
- Paradise Valley Village
- Strome Village
- Youngstown Village

## Counties

- Birch Hills County
- Camrose No. 22 County
- Cypress County
- Forty Mile No. 8 County
- Northern Sunrise County
- Starland County
- Strathcona County
- Thorhild No. 7 County
- Westlock County
- Woodlands County
- Yellowhead County

## Cities

- Medicine Hat City
- Red Deer City

## Summer Villages

- Waiparous S.V.

## Assessment auditors contact list

### Calgary

Mike Lavigueur  
(403) 297-5715

Peter Loh  
(403) 297-7383

Sheila Young  
(403) 297-5723

### Lethbridge

Barrie Hosack  
(403) 382-4482

Steve Kutanzi  
(403) 381-5599

### Peace River

Ron Bennett  
(780) 624-6129

### Red Deer

Barry Campbell  
(403) 340-4994

Keith Martin  
(403) 340-5345

### Edmonton

Barb Priddle  
(780) 422-8410

Brian Ferguson  
(780) 422-8396

Dean Cramer  
(780) 422-8055

Darryl Menzak  
(780) 422-8403

Grant Clark  
(780) 422-8391

Joanne Fortin  
(780) 422-8636

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# Regulated rate review resumes

The department is continuing to address recommendations made by a committee of provincial government MLAs on how to improve the system of assessment for industrial properties.

Four working groups made up of stakeholder representatives have been formed to review new rates proposed for the assessment of the following types of properties:

- Pipelines
- Wells
- Electric power transmission, distribution and streetlighting systems, and
- Telecommunication systems, including cable television.

The wells and pipelines meetings have been completed. The electric power and telecommunication systems meetings are scheduled or to be scheduled.

Two working groups are being formed to discuss proposed rates for machinery and equipment properties and railway properties.

The intent of the working group process is to give major stakeholder groups an opportunity to provide input into the rate review process.

The department is hoping to have proposals finalized by the end of September, after which they will go forward to the Minister for consideration.

## Working group participants

### Telecommunications

John Lindsay	Alberta Assessors' Association
Joe d'Onofrio	Alberta Association of Municipal Districts & Counties
Leslie Vaala	Alberta Urban Municipalities Association
Maria Cosentino Fast	Canadian Property Tax Association
Mary Dade	Telephone industry
Rhonda Bashnick	Television industry

### Electric power

Chris Van Staden	Alberta Assessors' Association
Ralph McDonald	Alberta Association of Municipal Districts & Counties
Leslie Vaala	Alberta Urban Municipalities Association
Scott McNaughton	Canadian Property Tax Association
Robert Flint	Industry
Neil McMeckan	Industry

### Wells

Rene Kozack	Alberta Assessors' Association
Donnie Paul	Alberta Association of Municipal Districts & Counties
Leslie Vaala	Alberta Urban Municipalities Association
Jim McMillan	Canadian Association of Petroleum Producers
Danielle Bielecki	Canadian Property Tax Association
Ken Shaw	Small Energy Producers Association of Canada

### Pipelines

Rene Kozack	Alberta Assessors' Association
Mike Gagnon	Alberta Association of Municipal Districts & Counties
Leslie Vaala	Alberta Urban Municipalities Association
Jim McMillan	Canadian Association of Petroleum Producers
Ken Marsh	Canadian Energy Pipelines Association
Roger Leachman	Canadian Property Tax Association

**Insert to  
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# City of Calgary 2004 equalized assessment appeal

The Municipal Government Board (MGB) has conducted a preliminary hearing of the City of Calgary's 2004 equalized assessment appeal.

The hearing was held in Calgary from April 14 to 19, 2004, and a decision (MGB decision #050/04) was issued on June 14, 2004.

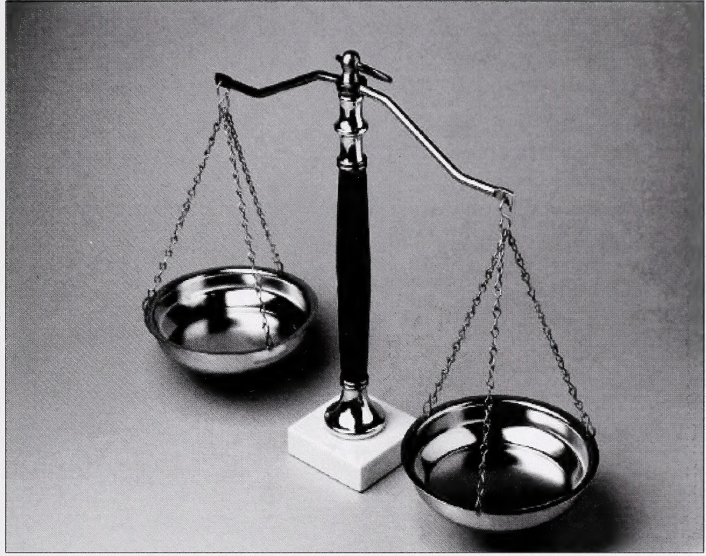
The MGB found that:

"The Appellant (the City of Calgary) has provided sufficient particulars of the reasons for its appeal."

"...the information the Appellant requested be disclosed in regard to regulated property is not relevant within the legislative scheme for the preparation of equalized assessments, including the issue of equity between regulated properties."

"... the remainder of the Appellant's request for disclosure has relevance to the issue of equity in the equalized assessment (excepting those few items otherwise deleted for redundancy or uncertainty)."

"The intervenors are proper parties to the appeal."



As a result of this decision, the province is required to disclose all relevant information to the City of Calgary by July 5, 2004. However, the City of Calgary and the MGB have agreed to provide the provincial government with an additional two weeks to compile the enormous amount of information that the province is required to disclose. Disclosure documents will include details of each municipality's equalized assessment, but will not include information on regulated properties. The information will be disclosed subject to the same terms and conditions regarding confidentiality as contained in the milenet agreement.

According to the MGB decision, within four months of receiving the disclosed information, the City of Calgary "must file its appeal materials, that is provide the Respondent (Province of Alberta), the MGB, and the intervenors, its written submission, evidence including identification of intended witnesses and their will say statements along with any argument and case law on which it intends to relay at the merit hearing." The province will have six weeks to file its response.

The MGB will accept replies from the intervenors regarding the submissions of either the province or the city up to one month before the scheduled hearing date. Anyone who wishes to reply to the intervenors' submissions must do so in writing not less than 10 days before the scheduled hearing date.

For more information regarding the board's decision, enter MGB decision #050/04 in the board order search page, which is located on Municipal Affairs' Web site at <http://www.municipalaffairs.gov.ab.ca/mgb/index.cfm>.

